

Fairfax Summit: View from the State

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Talking points

- Virginia Facts
- Transportation Finance Scene
- State Transportation 2005
- Federal Reauthorization

I. Virginia Facts: Background

- Over the past 20 years, vehicular travel has increased 79%, registered vehicles 53%, transit ridership 58% but lane miles only 7%
- The purchasing power of the dollar has decreased 40% due to inflation
- Highway maintenance costs have nearly tripled
- The state's share of transit operating and capital costs are expected to continue to decrease
- Va is 12th in per capital personal income—non-metro areas 30% less

Virginia Facts: **Sociodemographics**

- Population will increase by 23%
- 1 in 5 will be over 65 by 2025
- 17% is classified as having a disability
- 17 % of Va. population reside in cities, towns or counties with no public transportation service
- Number of HH without an automobile was more than 200,000 in 2000

Virginia Facts: **Congestion**

- Washington DC is the third most congested area
 - 46% more travel by 2025
 - 33% increase in truck trips
 - Metrorail already congested; VRE needs more cars now
- 2 million more people—in areas already congested
- 2 million more jobs-same areas
- Without additional investment, speeds in the Hampton Roads area will be cut in half by 2026

Virginia Facts: **Environmental**

- Va. loses farmland to commercial development at rate of 45,000 acres per year
- Storm water run-off major contributor to polluted waters
- 5 areas do not meet federal air quality standards;
1 maintenance area

Virginia Facts: **Freight**

- Virginia key player in intermodal network
- Over 560 tons transported in 2001
- 62 Million tons of freight passed through the Port
 - 24% rail
 - 76% truck
- 103 Million tons of **truck** freight have an origin or destination in Va.
- Another 159 Million tons move through Va. without having a start or end here (42% of **truck** freight that is transported in the state)
- Amount of freight almost double in the next 20 years

Transportation Finance: Estimate 20 Year Needs & Revenues

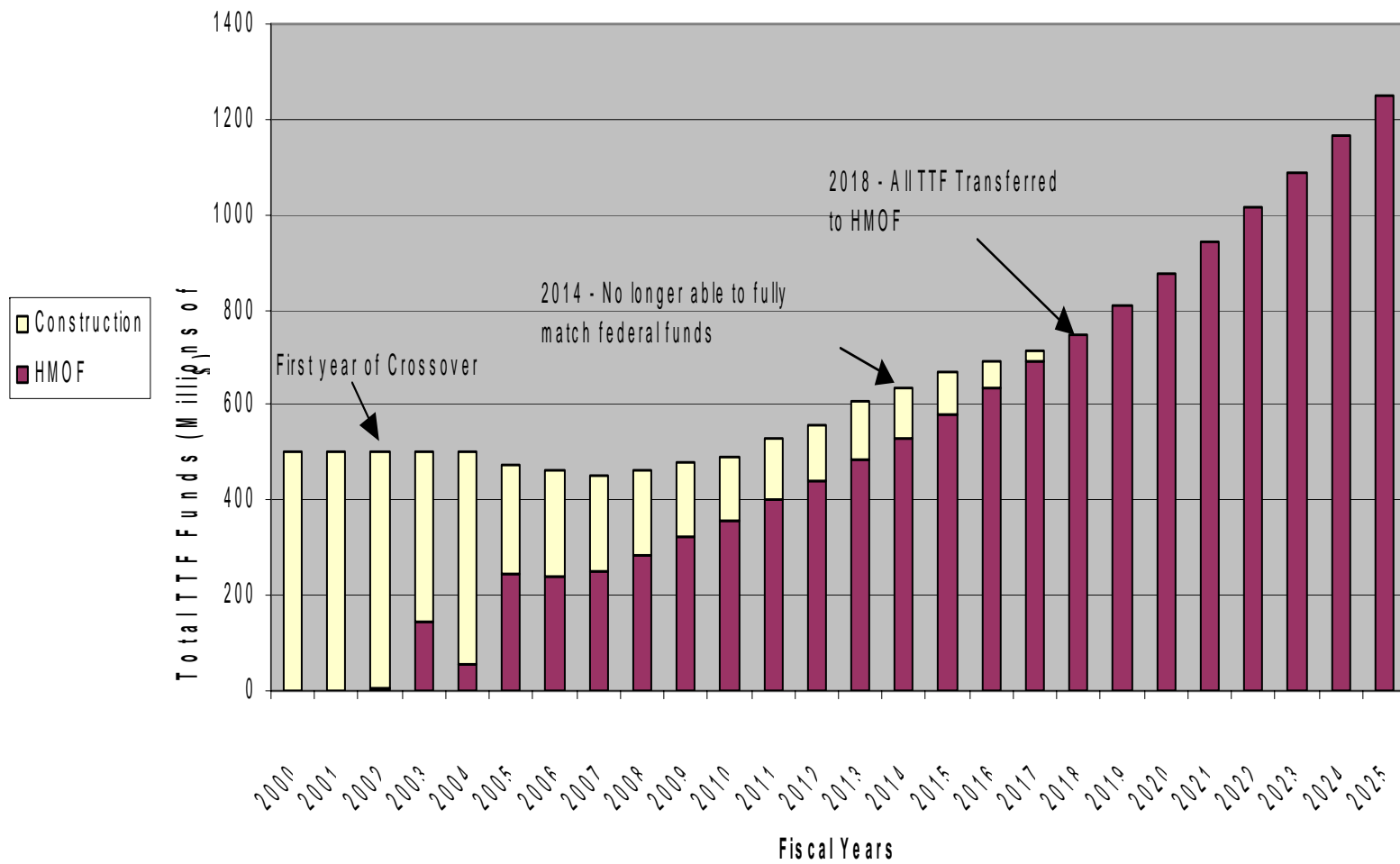
- ~\$203 billion in needs
- ~ \$95 B in revenues

Transportation Finance

Highway Takedowns

Total Estimated 20-Year Highway Revenues	\$71.7
Debt Service	-3.4
Maintenance	-38.7
Administration and Other Activities	-18.9
Highway Projects in the Six-Year Program	\$ 5.3
Cost to Complete Programmed Highway Projects	8.2
Total Needed to Complete Six-Year Program	\$13.5
Total Available for Construction Over 20 Years	\$10.7
Estimated Shortfall	\$ 2.8

Cross-over of TTF Revenues from Construction to the HMOF



Transportation Finance

Chart assumes:

- Assumes TTF funds are shifted to pay for maintenance – beginning in 2002
- Virginia will not be able to match all federal \$ after 2014, therefore, total pot shrinks
- By 2018, all TTF \$ has been shifted: therefore NO construction
- Beginning in 2018, federal funds increasingly used for maintenance--only 1/3 of primary, secondary and urban roads are eligible for federal funding (20% of secondary & urban)

Transportation Finance

- Amount needed to keep the Trust Fund whole:

–\$925M per year

Transportation Finance

- Other modes in similar financial distress
- Aviation:
 - unmet need of \$3.1 Billion
- Ports:
 - unmet needs of \$363 Million
- Transit & Rail:
 - 3 scenarios examined--unmet needs range from \$8 billion to \$30.7 billion

Transportation Proposals

Transportation Partnership Act	HB 1500 Conference Report
\$824 million	\$848 million
General Funds \$374 million “payback	General Funds \$348 million
Prohibit Deficits \$256 million for current deficits	No Deficit Prohibition \$256 million for current deficits

Transportation Proposals, cont'd

Transportation Partnership Act	HB 1500 Conference Report
Maintenance \$97 million federal	Maintenance \$97 million federal
Transit Incentives \$80 million	Transit Incentives \$75 million
Local Incentives \$80 million (local mgt & revenue sharing together)	Local Incentives \$75 million (\$40m local & \$35m revenue sharing)

Transportation Proposals (continued)

Transportation Partnership Act	HB 1500 Conference Report
TTF Distributions \$123 million	TTF Distributions \$141 million
PPTA Incentives \$140 million	PPTA Incentives \$70 million (\$20m rest area upgrades)
Rail Incentives \$23 million annually	Rail Incentives \$23 million annually

Transportation Proposals (continued)

Transportation Partnership Act	HB 1500 Conference Report
No Insurance Tax	Auto Insurance Taxes \$108 million to TF

Budget Differences

- General Fund difference
- Financial Housekeeping—projects completed and paying them off
- Transit_ identical for NoVa
 - \$40 M for Metro rail
 - \$20 M VRE rail
 - \$10 M Va Beach Rapid Transit
 - \$10 M for bus purchase vs GA \$5 M

Budget Differences, cont'd

- Rail fund for passenger and freight
- Local partnership—Gov: local ½ local road takeover for projects (not programs)—incentives for takeover
 - 50/50 match –GA: different criteria
- PPTA incentive – minor difference GA \$70M –
- Nova –many eligible projects: Rt 28, Dulles rail, Beltway HOT lanes etc

Pending Issues

- Rail Fund Criteria
- Private Partnership Fund Criteria
- Local Partnership Program Guidance
- Auto Insurance Taxes—whether continue in future
- Constitutional Amendment
- Legislative Funding Studies

Federal Reauthorization

- TEA-21 extended 6 times
- Extension ends May 31, 2005
- New Congress—everything starts over

Federal Reauthorization, cont'd

- House bill
 - 2004-2009
 - Has re-opener
 - \$284B guaranteed
 - \$235B for highways
 - \$49 B for transit
 - Includes \$1 B increase for Virginia
- Senate bill—similar to S 1072
 - \$284B
 - Mark-up scheduled for May 16, 2005

Federal Reauthorization, cont'd

- Major issues
 - Tolling
 - House bill allow continuation of Interstate Reconstruction Pilot Program with 3 projects
 - House creates new Interstate Construction Pilot
 - Renames the Value Pricing pilot but only allows for grandfathering of projects that already collect tolls
 - Allows conversion of HOV lanes to HOT lanes
 - Senate bill expected to be broader

Federal Reauthorization, cont'd

- Major issues
 - Donor-donee
 - House bill specifically includes Scope of 92.6%
 - Complicated arrangement to get to 92.6 Scope
 - Leadership claims it would provide for 92% rate of return by 2009

Federal Reauthorization, cont'd

- Major issues
 - Conference
 - Number of earmarks
 - Scope
 - New Programs
 - Re-opener
 - Tolling
 - Mechanism for rate of return

Cross-over of TTF Revenues from Construction to the HMOF

